SENATE BILL No. 282

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DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-31-7.

Synopsis: Property tax assessment of computer software. Provides that the fair market value of computer software is the true tax value of the software.

Effective: January 1, 2005.

Ford

January 8, 2004, read first time and referred to Committee on Finance.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~
  Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.
  Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 282

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 6-1.1-31-7, AS AMENDED BY P.L.1-2004,
2 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2005]: Sec. 7. (a) With respect to the assessment of
4 personal property, the rules of the department of local government
5 finance shall provide for the classification of personal property on the
6 basis of:
7   (1) date of purchase;
8   (2) location;
9   (3) use;
10   (4) depreciation, obsolescence, and condition; and
11   (5) any other factor that the department determines by rule is just
12   and proper.
13   (b) With respect to the assessment of personal property, the rules of
14 the department of local government finance shall include instructions
15 for determining:
16   (1) the proper classification of personal property;
17   (2) the effect that location has on the value of personal property;

1   (3) the cost of reproducing personal property;
2   (4) the depreciation, including physical deterioration and
3   obsolescence, of personal property;
4   (5) the productivity or earning capacity of mobile homes regularly
5   used to rent or otherwise furnish residential accommodations for
6   periods of thirty (30) days or more;
7   (6) sales data for generally comparable mobile homes; ~~and~~
8   (7) **the fair market value of computer software; and**
9   **(8)** the true tax value of personal property based on the factors
10   listed in this subsection and any other factor that the department
11   determines by rule is just and proper.
12   (c) In providing for the classification of personal property and the
13   instructions for determining the items listed in subsection (b), the
14   department of local government finance shall not include the value of
15   land as a cost of producing tangible personal property subject to
16   assessment.
17   (d) **Except as provided in subsection (e),** with respect to the
18   assessment of personal property, true tax value does not mean fair
19   market value. Subject to this article, true tax value is the value
20   determined under rules of the department of local government finance.
21   **(e) The true tax value of computer software is the fair market**
22   **value of the software.**
23   SECTION 2. [EFFECTIVE JANUARY 1, 2005] **IC 6-1.1-31-7, as**
24   **amended by this act, applies only to property taxes first due and**
25   **payable after December 31, 2005.**